

CONSTITUTION

ARTICLE I NAME
Shall be 'SERVICES COOPERATIVE ASSOCIATION.'

ARTICLE II PURPOSE
Shall be to promote the growth of small businesses through education, the exchange of business information, contacts, leads and referrals, and shall be directed toward the cooperative business and professional growth and development of the Associates, through a relaxed environment of Association meetings, special events and educational programs.

ARTICLE III STATUS
Shall be a not-for-profit-corporation, as defined in the Texas Non-Profit Corporation Act, Article 1369, Texas Revised Civil Statutes.

ARTICLE IV AREA
Shall operate within the geographic area(s) as provided in the By-Laws.

ARTICLE V MEMBERSHIP
Shall consider for Associate Status any owner, executive, manager or representative of a service company that has established operations and professional experience in accordance with the By-Laws. Consideration for Membership shall be without regard to race, color, marital status, religion, age, sex, or national origin.

ARTICLE VI MANAGEMENT
Shall have Professional Management as provided in the By-Laws.

ARTICLE VII DIRECTORS
Shall be governed by a Board of Directors as provided in the By-Laws.

ARTICLE VIII OFFICERS
Shall have elected Officers as provided in the By-Laws.

ARTICLE IX COMMITTEES
Shall have appointed Committees as provided in the By-Laws.

ARTICLE X MEETINGS
Shall have regular meetings at times and places as provided in the By-Laws.

ARTICLE XI INDEMNIFICATION
This organization and its Associates, Managers, Directors and Officers shall be indemnified as provided in the By-Laws.

ARTICLE XII DUES
Shall have dues as provided in the By-Laws.

ARTICLE XIII AMENDMENTS
The Constitution of the organization shall be amended only by vote of the majority of its Associates at a special meeting announced to the Associates by registered letter, informing each Associate of the time and place of the meeting, the proposed amendment and the option of each Associate to cast a proxy vote.

ARTICLE XIV BY-LAWS
Shall have By-Laws consistent with its Constitution. Changes to By-Laws may be proposed by any Associate in good standing at the regular Board of Directors meeting at which a quorum of Associates is present to vote upon the change.

ARTICLE XV RATIFICATION
This Constitution was ratified on March 15, 1983.

BY-LAWS

ARTICLE I NAME

Section 1:" name of this organization..."

- A. shall be abbreviated "SCA"
 - 1. shall be represented by logo identity
- B. shall be represented in the community as "Services Cooperative Association,' educational, business and professional services for economic development
- C. shall have the motto "For a Strong, Competitive America"
 - 11.or other slogans appropriate to the purpose

ARTICLE II PURPOSE

Section 1: to promote the growth of small business through education...

- A. by devising an educational methodology for a self-funded, self-development economic development effort by/for small business

Section 2:" the exchange of business information..."

- A. by each Associate informing the membership of:
 - 1. the nature of the Associate's business
 - 2. the type of customer and work sought
 - 3. the qualities and selling points of the Associate's business
- B. by each Associate, all other things being equal:
 - 1. purchasing the services of other Associates
 - 2. recommending the services of other Associates to prospective customers

Section 3:" cooperative business and professional growth..."

- A. by Associate participation in:
 - 1. cooperative educational, entrepreneurial and development program
 - 2. cooperative advertising and marketing programs
 - 3. distribution of SCA literature to prospective Associates
 - 4. invitation to guests to attend Chapter Weekly Business Meetings and other SCA programs
 - 5. distribution of advertising and promotional literature to prospective business owners
 - 6. Committee participation
 - 7. non-competition among Associates in each Chapter
 - 8. any legitimate means available

ARTICLE III STATUS

Section 1:" not-for-profit-corporation..."

- A. according to applicable state and federal statutes
- B. SCA shall seek applicable federal funds for non-profit cooperative associations

ARTICLE IV AREA

Section 1:'within the geographic area(s)..."

- A. the Greater Houston Area will be divided into Chapters
 - 1. the initial Chapter will be southwest Houston
 - 2. other Chapters will be formed as interest develops
- B. existing Associates will have the first option of expansion to:
 - 1. other Chapters
 - 2. other cities
 - 3. other states
 - 4. the entire U.S.
 - 5. the global market
- C. method of transfer into an expansion Chapter or to any Chapter shall be by form letter
 - 1. shall require the signature of the Home Chapter President
 - 2. shall require the signature of the New Chapter President
 - 3. shall require the Associate requesting transfer to be in good standing in the Home Chapter
 - a) current with dues, assessments and contributions to the Cooperative Revenue Sharing Program
 - b) seventy-five percent (75) attendance or above

- c) active on a committee
- D. Transfer may be denied by either Chapter President if the transfer is deemed not in the best interest of the Chapter at that time

ARTICLE V MEMBERSHIP

Section 1: 'any owner, executive, manager, or representative...'

- A. each candidate for Associate Status shall represent the decision-making responsibility of that service business
- B. each candidate for Associate Status shall be able to act independently on behalf of that service business

Section 2: "any service business..."

- A. such service shall be the specialty of that business

Section 3: "significant operations..."

- A. customers or the desire and ability to establish operations

Section 4: "professional experience..."

- A. present and past customers who can provide professional references
 - 1. excluding start-up companies

Section 5: "Consideration for Associate Status..."

- A. shall require the following:
 - 1. prospective Associates shall attend three (3) consecutive Weekly Business Meetings in the Chapter they wish to join
 - a) an application packets hall be mailed or given to guests only after they attend the third Weekly Business Meeting of any Chapter
 - b) an Application for Associate Status may be submitted only during the Chapter Weekly Business Meeting
 - 2. shall have a sponsoring Associate as guarantor
 - 3. shall have no service that conflicts with another Associate in the Chapter
 - 4. shall represent only one protected business specialty within the Association
 - 5. shall have completed and agreed to the Association Documents:
 - a) Constitution,
 - b) By-Laws,
 - c) Associate Agreement,
 - d) Ethics,
 - e) Committee Membership
 - f) Permit a photograph to be owned by SCA and used for promotion of SCA
 - 6. shall have prepaid dues
 - 7. shall have business cards
 - 8. shall have an acceptable method of having business telephone(s) answered during normal business hours
 - 9. shall have an acceptable business address
- B. Associate Status shall be granted:
 - 1. upon favorable review of application, Associate Agreement and SCA Ethics by the Review Committee
 - 2. on favorable completion of Orientation
 - 3. upon favorable ratification by the Associates in the Chapter
 - 4. upon acceptance of the Associate Agreement by the Board
- C. Associate Status shall be terminated:
 - 1. by failure to pay dues and assessments promptly
 - 2. by failure to attend at least seventy-five percent(75)of the Weekly Business Meetings in the Home Chapter
 - a) Associates who find it necessary to miss a meeting at their Home Chapter may attend the Weekly Business Meeting of other Chapters in order to maintain attendance percentages
 - b) Associates visiting other Chapters shall pay normal dues for that Chapter meeting
 - c) Associates visiting other Chapters shall not solicit new business when there is an Associate in that Chapter with the same business specialty
 - 3. by failure to follow the Associate Documents
 - a) Constitution, By-Laws, Associate Agreement, Ethics
 - 4. by failure to participate on a Committee

5. by missing two (2) consecutive meetings without prior apology
 6. by competing with another Associate's protected business specialty within a Chapter
 7. by giving or accepting a referral fee except as specified with the Cooperative Revenue Sharing Program
 8. by disorderly conduct, unprofessional practice or breach of Association Documents
- D. procedure for termination:
1. inquiry by an Associate, Officer or SCA Central
 2. recommendation by Review Committee
 3. ratification by Associates in Home Chapter
 - a) dues are forfeit
- E. procedure for appeal
1. written support often (10) Associates in Home Chapter
 2. favorable review by Executive Committee
 3. ratification by majority of Associates in Home Chapter
- F. reinstatement
1. shall occur as determined by the Board of Directors
- G. leaves of absence
1. for illness
 - a) leave will be automatic when requested by the Chapter President, verbally or in writing
 - b) will be retroactive from the first Chapter Weekly Business Meeting missed
 - c) will be for a two (2) month period
 - d) Associate is excused from all Chapter dues, assessments, obligations and participation'
 - e) referrals to Associate will cease
 2. for business
 - a) must be requested in writing by Associate
 - b) will be effective from the first Chapter Weekly Business Meeting after the request is received
 - c) will be for a two (2) month period
 - d) Associate will continue to pay dues but is excused from all Chapter assessments, obligations and participation
 - e) referrals to Associate will continue
 - f) contributions to Cooperative Revenue Sharing Program will continue
- H. when a leave of absence has been granted, the Chapter shall not recruit another company that provides the type of service offered by the Associate on leave, but may invite that type company as a guest
- I. a leave of absence may be extended for one (1) additional two (2) month period

ARTICLE VI MANAGEMENT

Section 1:" shall have Professional Management..."

- A. Management shall consist of:
1. an Executive Director selected by the Board of Directors
 - a) the Executive Director shall be Director of Research
 2. a General Manager hired by the Executive Director as necessary
 3. a General Office Staff as necessary
 4. a Central Office
 - a) a twenty-four (24) hour telephone exchange answered by an answering system after normal working hours, weekends and holidays
 - b) an office suite with a street address
 - c) a P.O. Box as a mailing address when deemed necessary by the Board of Directors
- B. Management shall be responsible for:
1. public acceptance of the cooperative
 2. building an organization that benefits all Associates
 3. orderly exchange of business regarding Associate education, interests and services
 4. all records and financial accounting for service transactions
 5. coordination of programs I
 6. establishment and support of each Chapter
 7. direction of the General Manager, Central Office and Staff

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- 8. research and development
- 9. expansion of the Association
- C. Management shall be compensated
 - 1. in a manner decided by the Board of Directors
- D. the Executive Director shall be an ex-officio Member of all Committees

ARTICLE VII DIRECTORS

Section 1: "governed by a Board of Directors..."

- A. the Board shall consist of a minimum of three (3) Directors to a maximum often (10) directors
 - 1. up to five (5) Directors may be drawn from Past Presidents
 - 2. the current President of each Chapter may be a Director, unless the maximum is exceeded
 - 3. an additional Director may be elected from each Chapter having thirty (30) or more Associates
 - 4. Directors may be appointed by the Board until there is a sufficient number of Past Presidents to fill the board
 - a) elected and appointed Directors shall serve a six (6) month term
- B). the Chairman of the Board of Directors shall be the immediate Past President of the Chapter having the greatest number of associates
 - 1) failing this happening, appointment of a new Chairman shall be made by a Board Executive Committee of former chairmen
 - a) the Chairman of the Board Executive Committee shall be a past Chairman of the Board of Directors having served as Chairman of the Board for five (5) or more terms
 - b) the Chairman of the Board Executive Committee shall have final decision on all matters of procedure
 - c) the Chairman of the Board Executive Committee shall be Advisor to the Chairman of the Board of Directors
- C. the Directors will provide
 - 1. completion of projects and policies of previous Boards
 - 2. adherence to the Association Documents
 - 3. long-range planning for SCA
- D. the Board shall meet at a time, date and place announced at each Chapter Weekly Business Meeting
- E. the Executive Director will be an ex-officio Director and Chief Advisor to the Board
- F. a Director missing two (2) meetings within each six (6) month term shall be removed from the Board by vote pf the Directors
 - 1. Chapter Presidents shall provide a regular Board substitute to representt he Chapter in their absence
- G. the Board may announce a general Membership meeting once each quarter to coincide with a Board of Directors meeting

ARTICLE VIII OFFICERS

Section 1: " shall have elected officers..."

- A. Officers shall be elected by the Associates of each Chapter for a six (6) month term beginning the second full week of March and September, excluding start-up Chapters.
 - 1. Associates may not hold consecutive terms in the same office
 - a) unless appointed by the Chapter President to complete a term in a vacated office or to hold an office not otherwise sought by another Associate
 - 2) Associates may not hold the same office within a two (2) year period
 - a) unless appointed by the Chapter President! o complete a term in a vacated office or to hold an office not otherwise sought by another Associate
 - 3. the President of each Chapter will call a special election to fill an incomplete term in a vacated office
 - 4. each Chapter President will appoint two (2) Chapter Associates as a Nominating Committee to provide a slate of Officers for the next term
 - a) slate will be approved by the Board of Directors
- B. the Officers of each Chapter shall be:
 - 1. . President, two (2) Vice-Presidents, Master Host, Treasurer and Secretary
- C. the duties of Officers shall be:
 - 1. President: Chief Officer of each Chapter, presides at weekly business meetings, keeps meetings organized and on time, demonstrates leadership to other Officers, Chairman of the Chapter

- Executive Committee
 - a) shall have the absolute authority and responsibility to operate the Chapter in compliance with the Association Documents
 - b) shall refer matters of interpretation of the Association Documents solely to the Board of Directors, and/or may seek private opinion of individual Directors
- 2. 1st Vice-president: presides at meetings in President's absence, provides support to the President, responsible for several Committees
 - a) Marketing/Membership
 - b) Awards
 - c) Newsletter
- 3. 2nd Vice-President: presides at meetings in President's and 1st Vice-President's absence, provides support to the 1st Vice-President, responsible for several Committees
 - a) Review
 - b) Education
- 4. Treasurer: collects and disburses chapter funds, maintains complete financial records, audits accounts, verifies regular contribution to Co-op Revenue Sharing, posts report weekly
- 5. Secretary: maintains minutes of meetings. Associate records, number of leads and referrals, monitors regular contribution to Co-op Revenue Sharing, posts reports weekly
- 6. Master Host: responsible for facilities at meetings and social events, welcomes Associates and guests, makes them comfortable, attends to details of meals and accommodations

ARTICLE IX COMMITTEES

Section 1: " shall have appointed Committees..."

- A. Chairpersons shall be appointed by the Executive Committee
 - 1. Chairpersons shall be responsible for Committee activity
 - 2. Chairpersons shall be responsible for full participation of all Associates on a Committee
- B. Committee Members shall be appointed by the Committee Chairperson
- C. Committee Members shall serve six (6) month period
 - 1. Associates may serve consecutive terms on the same Committee
 - 2. Associates may serve on more than one (1) Committee
- D. Committees and responsibilities are:
 - 1. Executive Committees comprised of Chapter Officers, keeps all Committees active, coordinates duties of Committee Chairperson
 - 2. Review Committee: verifies Associate applications, recommends candidates for Associates, reviews status and activities of Associates and recommends action for termination
 - 3. Marketing/Membership Committee: maintains records of business categories available, recruits candidates for those classifications, ensures influx of first time and repeat guests
 - 4. Financial Committee: responsible for Associate payment of dues and assessments, reports financial status of Chapter and Associates to the President and Committee Chairpersons
 - 5. Records Committee records the number of services, leads, and referrals transacted and reports them to Associates and Officers
 - 6. Activities/Social Committee: plans and conducts activities
 - 7. Education Committee: plans and conducts educational programs and speakers
 - 8. Other Committees shall be formed as necessary

ARTICLE X MEETINGS

Section 1: " shall have regular meetings..."

- A. Meetings shall be weekly
 - 1. times and locations will be determined by each Chapter and approved by the Board of Directors
 - 2. meetings will last one (1) hour and will include a meal
 - 3. meetings will be conducted in a manner approved by the Board of Directors
 - 4. meetings will include meal costs as part of Associates dues
 - 5. guests will pay Twenty-Seven Dollars (\$27.00) for the program when in the room for any portion of the meeting from gavel to gavel, irrespective of whether served a meal or not, with every effort made to serve a meal
 - a) guests are given a Five Dollar (\$5.00) discount for the first five (5) meetings, with full price

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- collected for meeting number six (6) and every meeting thereafter, including the meeting at which the Application for Associate Status is submitted but not hereafter
- b) guests who are speakers shall also pay for the program
- c) guests who are speakers shall pay an additional One Hundred Dollar (\$100.00) Speakers Fee when giving a commercial message
- d) the Associate inviting a guest shall provide payment should the guest not pay or pay with a check that is returned
- 6. meeting count shall be kept for all Chapters attended and will be cumulative
 - a) guests shall be conscripted to assist on any Committee starting with the fourth (4th) meeting
- B. each Chapter shall have special events
 - 1. as determined by the appropriate Committee
 - 2. costs shall be assessed and paid by the Associates
- C. each Chapter shall have educational programs
 - 1. as determined by the appropriate Committee
 - 2. costs shall be assessed and paid by the Associates
- D. the Chapter President shall have the authority to assess the Associates for conventions, trade shows and other activities at which SCA will be represented
 - 1. the Chapter President shall assess the Association for any activity costing the Chapter
- E. all activities shall be conducted to yield a slight profit as a demonstration of sound business practice
- F. may conduct one (1) or more annual events in which Associates/Candidates shall be assigned tickets to sell or, failing that, shall buy

ARTICLE XI INDEMNIFICATION

Section 1:" shall be indemnified..."

- A. each Associate shall sign an Associate Agreement which:
 - 1. outlines the business procedure for good customer relations
 - 2. provides for Cooperative Revenue Sharing Program
 - 3. contains an indemnification clause protecting the Associates
 - 4. assures one (1) protected business service specialty

ARTICLE XII DUES

Section 1:" shall have dues..."

- A. dues shall be determined by the Board of Directors
 - 1. dues shall be paid quarterly, in advance, by those Associates exempted from Co-op Revenue Sharing
- B. dues shall be used as follows:
 - 1. use of hotel room for meetings
 - 2. Associate meal
 - 3. SCA literature and materials
 - 4. advertising and promotion of SCA
 - 5. advertising and marketing of program and development efforts of SCA
 - 6. Central Office expenses
- C. amounts in excess of funds needed above shall be used in such manners as the Board of Directors may decide
- D. dues shall be payable even when an Associate misses a meeting excluding leaves of absence

Section 2:" and assessments..."

- A. Associates shall be assessed as follows:
 - 1. One Dollar (\$1.00) for each week in which an Associate does not provide direct business to another Associate, or a lead/referral for another Associate, or lead/referral to the Central Office
 - 2. One Dollar (\$1.00) for each week in which an Associate does not provide a first time guest, at that Chapter, or any Chapter Weekly Business Meeting
 - a) a Two Dollar (\$2.00) credit shall be applied to the account of an Associate who provides a first time guest
 - b) a first time guest shall be defined as a guest whose name is not on the Chapter printout, unless the omission was a clerical error
 - 3. One Dollar (\$1.00) for missing a Weekly Business Meeting without prior apology
 - 4. One Dollar (\$1.00) for each item of new or repeat business obtained from another Associate, or

guest, including leads and referrals that result in new and repeat business but excluding direct business obtained from the Central Office which is governed by Co-op Revenue Sharing in the Associate Agreement

5. Ten Dollars (\$10.00) for failing to wear a SCA lapel pin during a Chapter Weekly Business Meeting
6. Ten Dollars (\$10.00) for failing to wear SCA ribbon during a Chapter Weekly Business Meeting
7. in other manners as the Board of Directors may decide I
8. assessments are not required until a Chapter has five (5) or more Associates or Associate Candidates

B. assessments shall be used as follows:

1. in the same manner as dues
2. to partially pay for educational programs
3. to purchase special awards to Associates for contests
4. to purchase awards to Associates for contests
5. in other manners as the Board of Directors may decide

ARTICLE XIII AMENDMENTS

Section 1: " vote of majority..."

- A. majority shall mean seventy-five percent (75) or more of those Associates eligible to vote

Section 2: " at a special meeting..."

- A. this meeting must be called at least one (1) month in advance

Section 3: " registered letter..."

- A. return receipt requested

Section 4: " the proposed amendment..."

- A. must be approved by the Board of Directors

ARTICLE XIV BY-LAWS

Section 1: " quorum of the Associates..."

- A. a quorum shall be half the Associates eligible to vote
- B. only Associates in good standing and current with dues and assessments are permitted to vote on any issue, including election of Officers
- C. voting is limited to one (1) Associate per company per Chapter
- D. proxy voting is not permitted for changes to By-Laws or election of Officers

ARTICLE XV RATIFICATION

Section 1: " ratified this constitution..."

- A. by those present at the first meeting
- B. interim Officers shall be appointed at the first meeting on new Chapters to hold office until elections are held
- C. new Chapters shall be started when there are five (5) or more companies that commit to six (6) months at the new Chapter

So end the By-Laws of Service Cooperative Association